

## Comments from JABA Readers

### PERESTROIKA AND CONTINGENCY MANAGEMENT: SOVIET AGRICULTURAL REFORM

In an attempt to reform the Soviet economy, President Mikhail S. Gorbachev is making use of contingency management principles. As reported in *Financial Times* ("Soviet Farm Reform," 1988), Gorbachev has proposed that individual enterprise be promoted through personally owned small leasehold units. This would have the effect of making peasant farmers beneficiaries of their own productivity. The proposed arrangement would replace the existing state-owned farm system that minimizes the individual consequences of agricultural work. The leasehold system permits families or groups of farmers to rent land from the government for a guaranteed period of time. In the past, leasehold was seldom permitted and was guaranteed for only 5 years. The new system allows a tenure of 50 years.

The shift to the new system may not come easily; Gorbachev may find it necessary to employ prompting and shaping procedures. Articles in leading government papers have cautioned that managers of collective and state farms are contesting the

changeover but have advised the managers that the new system is the only means to boost production.

Meanwhile, the data supporting the transformation to a system of contingent reinforcement are imposing. According to *Megatrends 2000: Ten New Directions for the 1990's* (Naisbitt & Aburdene, 1990, p. 99), since 1929, only about 3% of the arable land in the Soviet Union has been privately owned. Remarkably, this land has produced 70% of the vegetables grown in the country. The per acre productivity on the state-owned Soviet farms is about one ninth of that generated on comparable, individually owned American farms.

### REFERENCES

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SAUL AXELROD  
TEMPLE UNIVERSITY

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